



## **Tax Law Rewrite: a major landmark**

Modernising the UK's direct tax law took another step forward today, as two new draft bills rewriting corporation tax and international tax legislation were published by the Tax Law Rewrite project.

Financial Secretary to the Treasury, Stephen Timms MP, said:

"These two Bills will complete the task of rewriting the majority of direct tax legislation for individuals and businesses that started in 1996.

Thanks to the close co-operation between the project team, tax practitioners, the legal profession and business representatives the project has once again rewritten tax legislation in a clearer and more accessible format."

The Bills rewrite the law without changing its general effect and have wide support amongst the tax community. Key features are:

- the Corporation Tax Bill (the second of two dealing with corporation tax) will substantially complete the rewrite of the corporation tax code. It includes provisions about losses and gifts to charities, various reliefs such as group relief, distributions, particular types of companies and activities, avoidance, and definitions;
- The Taxation (International and Other Provisions) Bill includes provisions about double taxation relief, transfer pricing, advance pricing agreements and tax arbitrage. It also relocates and where appropriate rewrites some provisions which would otherwise have been left unhelpfully in the Income and Corporation Taxes Act or one of the Finance Acts.

**Notes for editors**

1. The project was established in 1996 on the basis of full consultation. The project's first four Acts, the Capital Allowances Act 2001, the Income Tax (Earnings and Pensions) Act 2003, the Income Tax (Trading and Other Income) Act 2005 and the Income Tax Act 2007 have all been welcomed by users as a considerable improvement on the previous legislation. The project has also rewritten the PAYE Regulations in response to requests from users.

2. The key features of the project are:

- clearer, more logical structure for tax legislation
- use of plain language and other reader aids
- no alteration of main tax policies
- (possibly) some minor policy changes to improve the legislation
- full consultation with interested parties
- streamlined Parliamentary procedures for enacting "rewrite Bills".

3. A high level Steering Committee, chaired by The Rt Hon The Lord Newton of Braintree OBE DL, oversees the project. A Consultative Committee, consisting of representative bodies and other interested parties, also meets on a regular basis to consider issues and the draft legislation in more detail.

4. The project is currently consulting informally a number of representatives from accountancy, legal and business organisations about the support and scope for future rewrite work.

5. Comments on the draft Bills should be sent by 29 May to Jackie Bartlett, Tax Law Rewrite Project, HM Revenue & Customs, 8<sup>th</sup> Floor Bush House, South West Wing, Strand, London, WC2B 4RD; e-mail: [jackie.bartlett@hmrc.gsi.gov.uk](mailto:jackie.bartlett@hmrc.gsi.gov.uk) Tel: 020 7438 7606.

6. Copies of the draft Bills, like all the Tax Law Rewrite project publications, can be obtained free of charge from Jackie Bartlett, (address above) or are also available on the Internet at [www.hmrc.gov.uk/rewrite](http://www.hmrc.gov.uk/rewrite)

7. HMRC has also published today consultation stage Impact Assessments (IAs) on the costs and benefits arising from the new rewrite Bills and would welcome any comments. Copies of the IAs may be obtained from Jackie Bartlett, (address above) or are also on the Internet at [www.hmrc.gov.uk/rewrite](http://www.hmrc.gov.uk/rewrite)

**Issued by HM Revenue & Customs Press Office**

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